

**City Council Budget Work Session
May 6, 2024**

The City Council of the City of Elizabeth City met in Budget Work Session on Monday, May 6, 2024 in Council Chambers, located on the 2nd floor of the Municipal Administration Building, 306 E. Colonial Avenue, Elizabeth City, NC.

MEMBERS PRESENT: Mayor Kirk Rivers
Mayor Pro Tem Kem Spence
Councilman Johnson Biggs
Councilman Joseph Peel
Councilman Jarvis Gibbs
Councilwoman Katherine Felton
Councilman Ronnie Morris
Councilman Johnnie Walton

MEMBERS ABSENT: Councilwoman Rose Whitehurst

OTHERS PRESENT: City Manager Montre' Freeman
Finance Director Alicia Steward
Deputy Finance Director Brian Lewis
Chief of Police J. Phillip Webster
Deputy Chief of Police James Avens
Electric Superintendent Donnell White
Interim Human Resources Director Anna Spence
Public Utilities Director Dwan Bell
Public Utilities Deputy Director Raymond Staten
Community Development Director Reggie Goodson
Parks and Recreation Director Sean Clark
Fire Chief Chris Carver
Deputy Fire Chief Thomas Brooks
ECDI Director Debbie Malenfant
IT Director Matthew Simpson
IT Systems Analyst Pedro Holley II
City Clerk April Onley

Mayor Rivers called the Budget Work Session to order at 5:00 p.m. Councilman Gibbs provided the invocation, after which Assistant Finance Director Lewis led the Pledge of Allegiance.

1. Presentation / Discussion – FY 2024-2025 General Fund Continued:

Manager Freeman advised that staff made the changes requested during the last budget session, and the Council had been provided with updated books. He reminded the Council that they'd left off in discussions about the Community Development Department, and had issued a request that they'd like to wait until the end of all the presentations before making a determination on the senior planning position. If there were no lingering questions, he intended to move through Parks & Recreation, Police and Fire this evening. Mayor Rivers stated that now that the Council had corrected books, he'd like to go back through everything they'd discussed so far.

Human Resources:

Manager Freeman begin with Human Resources, a department which he had received a directive to move from four full-time and one part-time position to three full-time positions. Mayor Rivers pointed out that the original budget had five positions and one was eliminated, where did that go? There should be a funding difference if the budget has been rebalanced. Manager Freeman stated that there were only four positions. The HR Manager moved to Chief of Staff, so that funding just moved over. There are now three full-time positions there.

Councilwoman Felton pointed out that last year, a part-time position in HR was approved at \$15,900; however, that number was now up to \$38,000. Manager Freeman explained that the department had been utilizing the seniors or interns from ECSU or Mid-Atlantic, but they do not have anyone available right now. Councilwoman Felton felt that \$38,000 for a part-time position was too much money. Mayor Pro Tem Spence asked if this total is for more than one person or just a single person. Manager Freeman replied that it would be for one person working up to 30 hours per week. Councilwoman Felton stated that interns and seniors could fill that position again. We should not be filling it at such a high rate of pay. Mayor Rivers noted that the Council sought to keep the budget as lean as possible with all available money going to infrastructure. He asked if there was a consensus on moving the part-time position's salary to \$17,000. The consensus of the Council was to decrease the recommended funding, creating a savings of \$21,000.

Councilman Peel asked about insurance and whether we'd received the final numbers. Director Steward confirmed that we did. Group insurance will be \$9,552 per person. Manager Freeman noted that initially, that number had been input as a projection.

Councilwoman Felton asked what the \$33,700 in Contracted Services covered. What else is coming out of that line? Manager Freeman relayed that the total has decreased from the \$68,000 initial request because it is being split across the organization. It accounts for NOVAtime, which is the timesheet platform and all departments use that.

Councilman Peel asked why we've only spent just over \$2,000 for Wellness in the last two years, yet we're asking for \$10,000. Manager Freeman explained that we intend to have more of a push toward mental health awareness and related programs. Councilman Peel asked if we could get that done with \$5,000. Manager Freeman felt that was a possibility. We would do what we could with whatever funding was provided. Councilman Peel suggested they roll the Wellness line back from \$10,000 to \$5,000. Councilman Walton did not understand why we'd cut that when we get most of it back from our provider. He pointed out that we might have employees who want to work harder at their health than they did last year. Mayor Rivers stated that in every year prior, the Council has not put enough money toward capital projects and that should be the primary area of concentration now. We have only spent \$2,500 on Wellness in the last two years, so we can give them a little bit more, but not \$10,000. We have to look for money because we want to make our city better without raising taxes on our citizens. Councilman Walton asked the manager what his theme was for the budget year. Was he trying to concentrate on Human Capital? Manager Freeman replied that was correct. Councilman Walton noted that the Council should keep the manager's goal in mind.

Councilwoman Felton asked where the numbers associated with the Chief of Staff position were included. Manager Freeman reminded her that the Council had instructed him to move the position into Administration. Councilwoman Felton felt that the salaries in the document just reflected two positions. Councilman Biggs agreed that they were not budgeting enough for three positions. Mayor Rivers asked if those salaries were regular or temporary. Manager Freeman said they were the full salaries. Councilwoman Felton noted they are going back to normal salaries in July. Manager Freeman said that was correct, which is why the July 1st numbers are projected at a lower amount. Councilman Peel wondered if the salary report shouldn't reflect the current salaries. Manager Freeman stated that it did, but there were some temporary salaries in there for HR.

Mayor Rivers reiterated that for HR, they agreed to move the part-time position's pay down to \$17,000 and Wellness down to \$5,000. Additionally, the Council is on board with decreasing staff from four full-time to three full-time and one part-time position. He noted they would like to make sure there is technology in place to assist staff with their job performance.

IT Department:

Councilman Biggs identified a significant gap between the spreadsheet they'd been given and the budget books. He requested another budget spreadsheet, but would like to be able to match it up exactly with what is presented in the books. The numbers don't add up to get \$293,000. Manager Freeman reminded them that there were 2% increases for six-month performance evaluations included in the total number. When the original budget was done for last year, there were two new positions that were brought on that weren't in it yet. The 2% six-month increases are still out there, but the training and

certification 2% is not. Councilman Walton reminded the Council that things do change during the year. He didn't think they could track everything down to the penny. He felt that every time someone presented solution to one thing, someone else would seek out a new problem. He opined that you can always find problems if you keep looking for them. He reiterated that he did not believe this was something that could be analyzed to the penny.

Manager Freeman advised that in the proposed budget, he moved GIS under IT. Within Salaries, it must include the \$300 Christmas bonus, longevity, and the proposed 3% COLA in the total. Councilman Peel asked if we would have to do a budget amendment to afford the line item this year. Councilman Biggs noted that he still could not get the proper calculation for the salary item. Manager Freeman believed that his number likely did not include the 2% increases, the Christmas bonuses and longevity. Councilman Biggs pointed out that the number he was coming up with was already higher than the one presented, so if it didn't include that, there was more of an issue. Manager Freeman stated that only base salary should increase by 3%.

Councilman Biggs said they'd requested that Capital Outlay be increased and he didn't see that included yet. Mayor Rivers asked if the Council was in favor of that increase to run Phase 1 of Fybe. The Council concurred they would like the additional \$7,000 in place for that operation.

Councilman Peel agreed with Councilman Biggs that even when running the 3% only on base salaries, the number was still incorrect. Mayor Rivers asked staff to double check and they could revisit that later.

Community Development:

Mayor Rivers asked if the Senior Planner position was in the budget as it stood now. Manager Freeman replied that it was not. Mayor Rivers clarified that the Office Manager's salary was coming from Customer Service. Are we deleting the position from Customer Service and moving it to Community Development? Manager Freeman confirmed that was correct. Councilman Biggs noted that Customer Service was in Fund 30, which would require pulling money across funds and not something they should do. Manager Freeman said the only other option would be to leave the position and then allow Director Goodson to change the title. The need is high in Community Development. Mayor Rivers stated that he understood and agreed that it was a good move overall. If we leave the position in Community Development, can we pay for it out of two pots of money? Can we leave this individual in a dual role? Different entities pay different salaries. Councilman Biggs noted that would be why you'd need to transfer funds over. He was not against the position; he just wanted to make sure we pay for it correctly. Councilman Peel asked how we're paying for the Office Manager now. Manager Freeman explained that this person came from Customer Service. Councilman Peel asked why there was an increase for the Planner 2 position. Manager Freeman said it was because they found a good planner and needed to be able to keep them. He needed the Office Manager officially in the department and the increase on the Planner 2. Everything except the Senior Planner would include the 3%. Councilman Peel asked if Customer Service only collected for utilities. Mayor Rivers replied no, they collected all money for the City, including building permit money. Now that the Community Development Department is growing, developers are able to do everything under one roof. Councilman Peel suggested that they could leave the position in Customer Service and just have them work out of the Community Development office. He didn't think it would be different than when we had the satellite office. It would not be unusual.

Councilman Biggs asked again to have this information reflected on the supplemental sheets. Manager Freeman explained that he needed to increase the pay for the Planner 2 position because while he can bring this person on, he will not be able to keep them for what we're paying otherwise. Councilwoman Felton noted that with dual roles, it could sometimes be difficult to have two bosses or be split between two divisions. She felt that where the Office Manager went should depend on the percentage of duties in the Community Development Department or in the Customer Service Department. Councilman Peel agreed that it needed to be clearly stated. Manager Freeman stated the position originally started as collections, then went to collections and information and then it became collections, information and setting up a system. This employee has taken over

the Business Registration program, has identified, and recouped those funds. The employee reports to Director Goodson because what they are doing has grown.

Mayor Rivers asked why we didn't just bill the Enterprise Fund for that position. The Council is for that position, but maybe we should just bill the Enterprise if we can. He asked that the manager check into that. The money isn't being changed and the duties aren't being given to anyone else. He requested that the manager send the Council an email on what that might cost. That would be the only change they'd look for in Community Development.

Councilman Biggs asked if they could get a breakdown of salaries totaling the \$290,588 for the department. He noticed the manager was looking for a \$15,000 increase. Mayor Rivers noted that \$40,000 would be billed to the Enterprise Fund. Councilman Biggs felt that it didn't matter what was happening on the back end because you're still increasing your expenses. Somewhere along the lines, you've got an increase. Mayor Rivers asked that the manager send that information as well. Councilman Biggs clarified that the manager was saying he had to raise a salary for a specific position and that would cause expenses to go up. We are still increasing and we have to find that revenue somewhere. We haven't found it yet. Mayor Rivers felt they had found it if they billed Customer Service for the position. Councilman Biggs clarified that he was specifically referencing the Planner 2 position, not the Office Manager. Mayor Rivers asked the manager to send the Council some numbers to see if they could make it work. Councilman Biggs noted that even if they have a wash with the Customer Service position, they are still looking for a large increase in the department. Manager Freeman advised that he would check into it and send an email.

Councilman Walton wasn't sure where Councilman Biggs was going with this. Councilman Biggs said he just wanted to understand what the salary was going to because there was a large gap. Mayor Rivers noted that the manager would be sending out an email to define those numbers for the Council shortly.

Mayor Rivers asked if they could also cut the \$34,000 for the part-time Planner now, Manager Freeman stated that if they cut the Senior Planner, they must have the part-time Planner. Director Goodson concurred that they shouldn't touch the part-time Planner without having a Senior Planner in place. A 30-year veteran is filling the part-time position. Mayor Rivers clarified that if we fill the Senior Planner role, they can cut the part-time position. Director Goodson replied that was correct. When they interviewed a Senior Planner who was qualified, the salary request came in at \$86,000. Mayor Rivers asked if the Senior Planner was funded. Manager Freeman said it was not.

Code Enforcement:

Director Goodson stated that the salary is increasing due to the funding of a Minimum Housing Inspector. There are two Code Enforcement officers and one Minimum Housing Inspector included here. Mayor Rivers mentioned that they did want to concentrate on the cleanliness of the city, so they would have to put more money toward lot clearing and demolition. The demolition of a house is a slow process. How long does it usually take? Director Goodson advised that it's probably about six months at least because they had to follow rules laid out in NC General Statute. Our objective is to get the property owners to demolish their own houses, but if they don't, then it falls to the City. Councilman Peel asked what the average cost was. Director Goodson replied that it depends on whether there's asbestos, but sometimes about \$9,000. Mayor Rivers asked if they increase the live burns, could they decrease the demolition line item. Director Goodson felt they might be able to decrease it some, but they would still have to have someone come in and grade it, haul it, etc. The cost runs about \$2,500 to burn.

Manager Freeman advised that he was keeping a running total of the Council's requests. The combined total for the two lines is \$44,800. Mayor Rivers asked how much was spent this year. Director Goodson stated that they'd spent \$23,799.05 in lot clearing and none in demolition because they had the Building Inspectors trying to do it. The Minimum Housing Inspector can concentrate on just doing these things and he's already gotten two owners to agree to demolition. Councilman Biggs pointed out that they are actually giving them more than they talked about last time. Does that need to be shaved back? Mayor Rivers said the Council is giving them \$55,000 for lot clearing and demolition. We might not reach it if they work with the Fire Department, but they do have nine houses already

in the queue. He pointed out that he'd rather have something like that covered than without enough funding.

Building Inspections:

Director Goodson stated that this item reflected two Building Inspectors and a Chief Building Inspector. The hospital project caused us to have to have an additional part-time employee there. Councilman Peel did not feel that the amount funded would be enough. Director Goodson agreed that the Building Inspector market is very competitive now – we will not get one for \$80,000. They can choose where they go and how much they want to make. Councilman Biggs asked if we had vacancies. Director Goodson replied that we had an Inspector who left a few weeks ago. We have a new one starting in a week or so from VA Beach. He has some experience and has his level two certifications.. We will still be down a chief. Councilman Biggs asked the contracted chief was still with us. Director Goodson said yes, he is still doing the hospital project.

Councilwoman Felton asked if the Building Inspectors receive salary increases when they achieve certifications or learn new skills. Director Goodson replied that they used to receive raises when they get new fields of expertise under their belt; however, raises for certifications are frozen right now. Mayor Rivers noted that we need to maintain our employee base and get all open positions filled so we're not burning people out. When they get their inspection levels, we still need to be increasing their pay. Director Goodson pointed out that for a Building Inspector, you don't have to have any certifications to start, but then you have to pass level one, become probationary level two, and so on. There are roughly 12 exams to become fully certified. Mayor Rivers opined that we should be rewarding them for their work to ensure we keep them. We need a retention plan. Councilman Biggs asked if the Chief Building Inspector position was posted. Manager Freeman confirmed that it was. Councilman Biggs stated that we could always get lucky and find the right candidate today; we need to make sure we have budgeted enough to bring them on. Mayor Rivers asked if we hire a Chief Building Inspector, would the part-time one still stay at the hospital. Director Goodson explained that we'd hired that individual to finish that particular job, so he'd stay in place there until we were finished.

Councilman Peel asked what the other expense in Contracted Services is. Director Goodson reviewed the numbers and felt they may have put the full-time Building Inspector there. Manager Freeman noted that the \$100,000 there is not enough to bring on a Chief Building Inspector. We will need to offer maybe \$130,000 or \$140,000 for that position. Councilman Peel clarified that the \$100,000 he referenced was in the wrong place, regardless of the fact that it was not enough to cover the position. Mayor Rivers explained that the line items will stay the same, but the numbers will need to move around a bit.

Administration:

Mayor Rivers asked about the travel allocation for the year. Manager Freeman stated the Executive Admin had done the only travel in the current fiscal year; however, both he and the City Clerk would have several trainings they would be required to attend in the coming months.

Councilman Walton advised that he wanted to increase the pay for the City Manager. Mayor Rivers questioned if he was talking about the 3% COLA or additional funding. With 3%., the pay would be roughly \$4,000 more. Councilman Walton felt the Council needed to do more than just 3%. He believed the manager brought them a long way and he believed the Council should consider increasing his pay.

Legislative:

Mayor Rivers stated that he felt the Council had traveled often and they used their cell phones a lot, so they may want to consider an increase in pay or perhaps some sort of stipend in their funding.

Mayor Rivers announced there would be a five-minute recess at 7:10 p.m. He called the meeting back to order at 7:15 p.m.

Mayor Rivers advised that Council's monthly travel stipend had been at \$75 for years and he would like to ask that it increase this year to \$125 per month. Right now, local travel ran \$8,100 for the year for the full Council and this would bring it up to \$13,500.

Councilman Biggs said that while they were discussing phones, he would not mind doing a reimbursement to directors who wanted to have one phone instead of having to juggle two phones. Mayor Rivers stated that he liked the idea as long as it was optional; some people wanted to keep their personal phone and company phone completely separate and they had that right. Manager Freeman asked if they were asking him to offer the same \$75 credit to employees. Mayor Rivers replied that he was welcome to break it down and look into it.

Mayor Rivers continued that next year, since they don't have to plan for an inauguration ceremony, he'd ask that allocation go toward money forward meetings. He reiterated this would not be something in the budget every year, but only on the years that they don't have the inauguration. Each ward would be allowed \$500, so each councilor would have \$250 to use for their meetings. Manager Freeman stated that he add that request to his notes.

Mayor Rivers asked about the \$25,000 for CAMA land use. Are we breaking that down into installments? Manager Freeman explained they are trying to do a phased approach. The plan is \$130,000 total and it hasn't been touched in about 10 years. Mayor Rivers suggested that we might need to go ahead, face the situation on this, and pay for it in full. We are so close to knowing what our fund balance is; it might be worth it just to fund the whole thing instead of funding bits and pieces. Take \$25,000 from the land use and once our General Fund numbers come back in, we can figure that out.

Councilwoman Felton noted that each year, the policy dictates that someone is supposed to analyze the Medicare supplemental insurance for retirees. Who is supposed to do that? Interim Director Spence advised the Finance Director was responsible for that task. Councilwoman Felton explained to the Council that was something employees could only get that if they were hired prior to 1996; it also required they put in 30 years of service. Manager Freeman stated that he and the Finance Director would look into it and provide a report

Mayor Rivers requested that all the changes to the budget be kept account of and be forwarded to the Council in a separate document so they could keep a running total. He noted that it was difficult to see where they started if the numbers were being shuffled about otherwise.

2. Closed Session – As Allowed by NCGS 143-318.11(a)(3) Consultation with City Attorney and NCGS 318,11(a)(5) Contract Negotiation:

Motion to enter Closed Session as Allowed by NCGS 143-318.11(a)(3) for Consultation with City Attorney and NCGS 318.11(a)(6) for Contract Negotiation was made by Mayor Pro Tem Kem Spence, seconded by Councilman Jarvis Gibbs at 7:36 p.m. Those voting in favor of the motion were: Biggs, Peel, Gibbs, Spence, Felton, Morris and Walton. Against: None. Motion carried.

The Council returned from Closed Session at 8:08 p.m.

3. Adjournment:

There being no further business to be discussed, Mayor Rivers adjourned the meeting at 8:08 p.m.

E. Kirk Rivers
Mayor

April D. Onley
City Clerk, NCCMC